GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2334
ANSWERED ON:23.07.2004
INCOME OF STATES
Murmu Shri Rupchand

Will the Minister of FINANCE be pleased to state:

(a) the names of States whose income has come down in the year 2003 below the national average in the urban areas in comparison to last one decade;

(b) the reasons analysed for the down fall; and

(c) the remedial steps taken by the Government in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM)

(a) & (b) The Directorates of Economics and Statistics of respective State Governments compile estimates of State Income and per capita income. These estimates are not compiled separately for rural and urban areas. The latest year for which estimates of per capita income are available is 2002-03. The per capita income at current prices of Andhra Pradesh, Assam, Bihar, Jharkhand, Jammu & Kashmir, Madhya Pradesh, Chattisgarh, Manipur, Meghalaya, Orissa, Rajasthan, Sikkim, Tripura, Uttar Pradesh, Uttaranchal, and West Bengal was lower than all-India per capita Net National Product (NNP) both in 1993-94 and 2002-03. The per capita income of Karnataka which was higher in 1993-94 has come down below all-India per capita NNP in 2002-03. The growth of the State income is dependent on a number of factors, such as, resource endowment, infrastructure facilities, investment climate, locational advantages, availability of quality manpower, etc. In Karnataka, the deceleration in the growth of the primary and secondary sectors in recent years has resulted in the lower performance of the economy.

(c) The Government is conscious of the need for promoting the economy of backward States. The formulae for Central assistance for State plans and the transfers under the Finance Commission awards give due weightage to the needs of States having per capita income below the national average. Besides, special schemes are in operation to address the problem of backward States.